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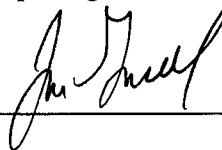
DATE: December 1, 2005

TO: Energy and Environment Committee

FROM: Jennifer Brost Sarnecki, AICP, Associate Regional Planner,
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SUBJECT: Pomona Inland Valley Partnership Program

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve continued discussions between SCAG, Southern California Edison, and Intergy Corporation.

SUMMARY:

Staff will present a proposed energy efficiency partnership between SCAG, Southern California Edison (SCE) and Intergy Corporation. SCAG staff, with guidance from Karen Tachiki, Chief Counsel and Heather Copp, Chief Financial Officer, has participated in discussions with Intergy to clarify the proposed roles of each partnering entity and the contractual framework.

The California Public Utilities Commission (CPUC) has approved funding for a two-year program at \$1.5 million. Additional funding may be available depending on the performance of the program. SCAG will be compensated for staff time spent on this program.

BACKGROUND:

In April 2005, SCAG was approached by Intergy Corporation to participate with Intergy and Southern California Edison (SCE) in the implementation of the 2006-08 Pomona Inland Valley Partnership Program, also known as the San Gabriel Valley Energy Efficiency Program (SGVEEP). In May 2005, SCAG sent a letter of conceptual support of the program to SCE stating that the partnership could significantly reduce the energy used by these city facilities resulting in substantial benefits for the cities as well as SCE.

SGVEEP is a proposed energy efficiency partnership program between SCAG, SCE, Intergy Corporation, and nine Cities in the San Gabriel Valley. SGVEEP is currently funded by California ratepayers and administered by SCE under the auspices of the California Public Utilities Commission (CPUC). The Program would consist of several components centered on energy efficiency and energy education.

SGVEEP would build on the success of the current 2004-2005 Pomona Partnership Program. This program is currently being implemented and is a partnership between SCE and the City of Pomona. The program has successfully implemented energy efficiency retrofits in City facilities and completed various outreach activities for the City of Pomona. The 2004-2005 Pomona partnership program is being implemented in close coordination with the City of Pomona and

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other local networks and organizations. SGVEEP was designed to build on this infrastructure by raising awareness of energy efficiency and by completing targeted retrofit and retro-commissioning projects in city facilities.

Purpose:

The primary purpose of SGVEEP is to allow City facilities to lower operating costs and achieve permanent load reduction by improving energy efficiency in new and existing facilities. The Program would assist the targeted Cities in complying with the Governor's Executive Order S-20-04 which requires state agencies and departments to reduce energy purchases by 20% over the next ten years. Key long term objectives of SGVEEP are to implement the various components of the program, measure its success, make any appropriate changes, and expand the scope to include other cities and counties in the SCAG region.

The targeted nine cities include: Covina, West Covina, Industry, Glendora, La Verne, San Dimas, Diamond Bar, Walnut, and Pomona. Current energy efficiency programs have not fully met the unique energy efficiency implementation needs of these cities. SGVEEP is designed, with the appropriate levels of flexibility, to be customized for each city's unique need to implement energy efficiency projects. SGVEEP will offer incentives and technical assistance to cities for implementing energy efficiency projects. The incentives to the cities will require no repayment. Training to city facility planning staff on maintenance procedures, retro commissioning, and new construction projects will be offered. The program will also include an outreach component to improve energy efficiency practices in the targeted cities.

This partnership would implement the adopted SCAG policy related to energy, which states, "SCAG shall continue to work with local jurisdictions and energy providers through the Energy and Environment Committee and other means, to encourage regional-scale planning for improved energy management. Future impacts to energy shall be minimized through cooperative planning and information sharing within the SCAG region. This cooperative planning shall occur during the update of the Energy chapter of SCAG's Regional Comprehensive Plan and Guide."

Funding:

SCAG's role in SGVEEP will be completely funded by the program at fully loaded costs and will primarily be centered on specific administration tasks and communications with the targeted cities. Intergy Corporation will be responsible for the implementation of the various activities of this program. SGVEEP will leverage and directly access public-goods funds to improve energy efficiency in the targeted cities. Implementation will be closely coordinated with the San Gabriel Council of Governments (SGCCOG). The program implementation will begin in 2006, and will continue until 2008.

The funding for the program is currently at \$1.5 million. Additional funding may be available depending on the performance of the program. This program was submitted by SCE to CPUC for funding as a part of their overall portfolio of 2006-2008 energy efficiency programs. CPUC has approved this program.

Activities and Outcomes:

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SGVEEP will provide energy education, retrofit assistance, Retro-Commissioning (RCx) as well as design consultation and energy analysis of renovation project plans. Training seminars on energy efficiency will be completed for facility planning staff of the targeted cities. Analysis of city facilities will be conducted to identify demand reduction projects with energy efficiency alternatives for the targeted city facilities. In addition, the program will address the Green Building Initiative Executive Order Compliance Assistance and LEED Certification by providing design and management consultation to formulate an action plan and provide assistance to local governments to comply with the Executive Order.

SGVEEP will complete targeted energy awareness campaigns targeting residents and businesses to increase awareness of energy efficiency savings programs and of the importance of energy conservation in maintaining a healthy environment, reducing costs, and creating other economic benefits. Outreach events will further generate awareness and drive participation in energy programs offering low cost/no cost products, services and financial incentives. Event sponsors could include SCE, the city, local community-based organizations, businesses, schools and others.

Some specific activities within SGVEEP will include:

Energy Efficiency Retrofits - Provide project identification assistance, technical assistance during implementation, and financial incentives to offset the costs of energy efficient retrofits. This will also include post installation verification to ensure that quality control procedures have been followed.

Energy Information - Provide City staff, businesses and residents with information on energy efficiency programs and services, demand response, self-generation, low income, CEC, DOE, EPA and other energy assistance programs such as gas and water efficiency resources. The program will also provide assistance in developing recognition programs for cities that meet or exceed State and federal regulations.

Energy Efficiency Training - Energy code training and other energy efficiency training will be provided to facility planning staff in the targeted cities. Training will include Building Operator Certification Training (BOC). This will assist cities to transition to the new energy codes and provide information and education to local jurisdictions that are considering local ordinances on energy efficiency. Training will leverage current SCE resources.

Energy Audits and Project Identification - These services will be provided to support city government investments in energy efficiency retrofits, renovation and monitoring based continuous commissioning (MBCx) and retro commissioning (RCx) of targeted city facilities. Complete technical and financial analysis reports for the identified energy efficiency projects will be provided.

Green Building Initiative Executive Order Compliance - Assist targeted cities in Leadership in Energy and Environmental Design (LEED) certification and implementing the Governor's Executive Order S-20-04, The Green Building Action Plan. The program will collaborate with the State of California to enhance Green building compliance support.

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Bench-marking and Performance Tracking – SGVEEP will assist partnering organizations in benchmarking their energy use by providing energy use data for their facilities as well as assist in the development of facility retrofit and retro-commissioning plans.

Energy Efficiency Outreach and Community Activities - SGVEEP will leverage the local city government's unique communications and outreach infrastructure to promote energy efficiency. Community activities will be coordinated and implemented. It is anticipated that these activities will mobilize communities and create excitement around energy efficiency, resulting in deeper penetration of statewide and local energy efficiency programs.

FISCAL IMPACT: *HC*

SCAG's staff time spent on this program will be completely funded by the program.